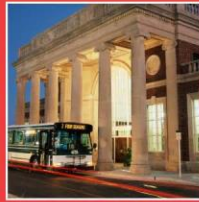
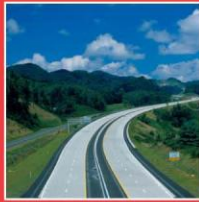




NCDOT Briefing

Privatization, Visitor Centers, and
Sponsorship

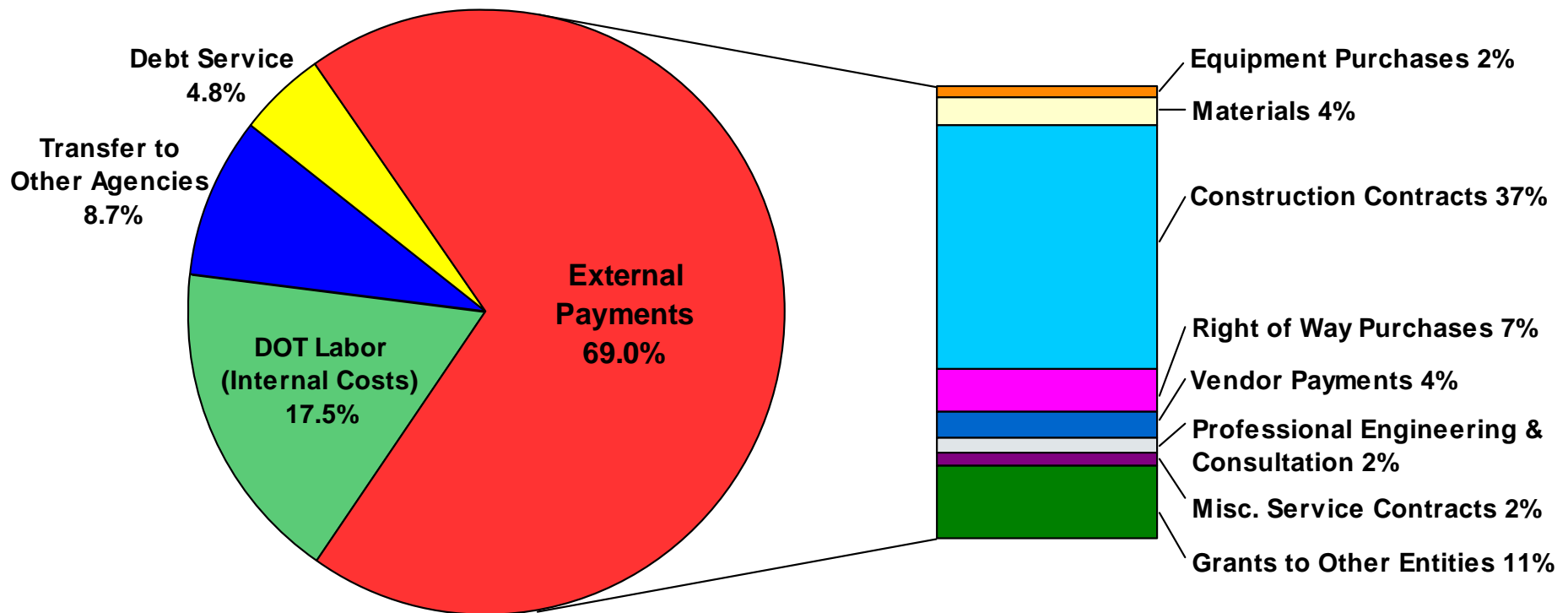


PRIVATIZATION



NCDOT Expenditures State Fiscal Year 2010

Total Expenditures: \$4.03 Billion



*** Includes Turnpike Authority Expenditures**



Consultant Utilization Comparative

SFY 2009			SFY 2010	
Division of Highways*				
DOH Labor Costs	54.9%	\$118,297,542	54.8%	\$111,609,016
Consultant Payments	34.5%	\$74,273,862	32.4%	\$65,963,214
Rail Division				
Rail Labor Costs	20.5%	\$3,704,303	13.8%	\$3,582,064
Consultant Payments	70.4%	\$12,696,863	75.4%	\$19,561,289
Turnpike Authority				
NCTA Labor Costs	8.3%	\$2,052,154	4.6%	\$1,379,416
Consultant Payments	80.3%	\$19,824,705	74.0%	\$22,031,518
TOTAL UTILIZATION	42%	\$106,795,430	45%	107,556,021

Consultant Utilization Goal: 50%

*Note: Division of Highways only includes: Design/Build (at a 7% assumption), Highway Design Branch, Project Development & Environmental Analysis, Right of Way Branch, Transportation Mobility & Safety Division, Materials & Tests Unit, Bridge Management Unit





Increased Privatization Opportunities

- Bridge Program
- Contract Inspection (CEI)
- Design-Build
- Tolling, HOT Lanes
- Planning/Design
- Surveying
- Right of Way Acquisition



VISITOR CENTERS



Rest Areas, Welcome Centers and Visitor Centers

- Rest Areas (NCDOT)
 - Locations: 60 sites along interstate and major primary highways
 - Function: Restrooms - Promote safety by alleviating driver fatigue
- Welcome Centers (NC Commerce)
 - Locations: Nine sites at NCDOT interstate rest areas at state borders
 - Function: Promote state tourism
- Visitor Centers (Local Entities)
 - Locations: 12 Sites (Eight at NCDOT rest areas; One on R/W, Three not on R/W)
 - Function: Promote local tourism



Pilot Project

Public Private Partnership at Visitor Center

- Randolph County Visitor Center
- Private sector contractor operates two visitor centers:
 - Northbound lane of I-73/74 in Randolph County.
 - Southbound lane of I-73/74 in Randolph County.
- Revenues for operation generated through sponsorships



Randolph County Visitor Center

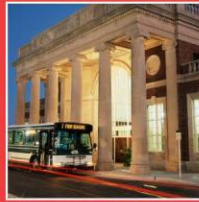
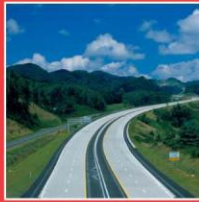




Governor's Budget

Welcome Center Reduction:

- Reduces funds to the State's nine welcome centers
- Closes welcome centers on Tuesdays and Wednesdays
- In fiscal year 2012-2013, N.C. Commerce will work with NCDOT to privatize welcome and visitor centers



SPONSORSHIPS



Current NCDOT - Adopt-A-Highway Volunteer Litter Cleanup



20 year Adopt-A-Highway Group

5,866

Adopt-A-Highway groups provide litter cleanup on nearly 12,000 highway miles.

Amount Collected by AAH Volunteers

Year	Total Pounds
2010	3,526,220
2009	3,226,720
2008	3,416,360

Adopt-A-Highway volunteers provide a taxpayer savings of more than \$6 million annually in cleanup costs.

Opportunities - Visitor Center/Rest Area Operations

Visitor Centers - State Funded (Operated by Local Entities)

- **Location:** 12 Visitor Centers
(8 on Primary Routes with Rest Areas)
(1 on Primary Route - No Rest Area)
(3 Not Located on NCDOT Right of Way)
- **Function:** Promote Local Travel and Tourism
- **Funding:** Construction - Transportation Improvement Program (TIP)
Operation/Staffing - SRPA, Highway Fund, Local Funds
Building Maintenance (Minor) - Local Funds
Building Maintenance Major (Major) - NCDOT Funds

NCDOT Rest Area Program (Operated by NCDOT)

- **Location:** 60 Rest Areas Located Along Interstate and Primary Routes
- **Services:** Restrooms Facilities and Vending Services
- **Function:** Promote Safety by Alleviating Driver Fatigue
- **Funding:** Construction - Transportation Improvement Program (TIP)
Operation - NCDOT Maintenance Funds

Opportunities - Plant Bed Installations and Maintenance.

- Sponsor would install and maintain plant beds along our highways.
- It costs the department approximately \$500 per acre to maintain plant beds. Therefore, the amount of sponsorship funding needed to maintain landscape beds within an Interstate interchange would be roughly \$20,000 to \$25,000 for a 5 year period.



Survey of Current States' Sponsorships

State	Sponsorship Activity	Estimated \$	Status
California	Electronic Signs Advertising	\$2B over 20 yrs	Seeking Federal Permission
Florida	Electronic Signs Advertising		Seeking Federal Permission
Minnesota	Electronic Signs Advertising		Under Review
Pennsylvania	Electronic Signs Advertising	\$150M per yr	Seeking Federal Permission
Connecticut	Website Advertising		Under Review
Minnesota	Website Advertising		Under Review
Washington	Website Advertising	\$1M per yr	Bill Proposed for State Agencies
Washington	Website Advertising		Active Pilot for Ferries Using dot.com Domain
Vermont	Website Advertising		Active Pilot for Ferries Using dot.com Domain
Arizona	Rest Area/Welcome Center Advertising		Pushing for Reform
California	Rest Area/Welcome Center Advertising		Pushing for Reform
Georgia	Rest Area/Welcome Center Advertising		RFP Proposed for State Agencies
Minnesota	Rest Area/Welcome Center Advertising		Issued RFP
Oregon	Rest Area/Welcome Center Advertising		Pushing for Reform
Washington	Rest Area/Welcome Center Advertising		Pushing for Reform
Georgia	Motor Assistance Program	\$1.7M per yr	State Farm Insurance Funds Costs to Operate
Kansas	Motor Assistance Program		Active
Maryland	Motor Assistance Program	\$1.3M per yr	Active as of Feb. 2011 - State Farm Insurance
Florida	Motor Assistance Program	\$0.425M per yr	Active on Florida Turnpike
New York	Motor Assistance Program	\$2.16M per yr	State Farm Insurance Funds Costs to Operate
Florida	TOLL Booth Advertising		Active
Pennsylvania	TOLL Booth Advertising	\$1.5M per yr	Active
New York	TOLL Booth Advertising	\$0.1M per yr	Active
New Hampshire	TOLL Booth Advertising	\$0.3M to \$0.5M per yr	Seeking State Legislation
Illinois	State Map Sponsorship	\$0.1M per yr	Active with Best Western Hotels
Hawaii	Advertising in Ferry Terminal & on Vessels	\$0.474M per yr	Active
Washington	Advertising in Ferry Terminal & on Vessels	\$0.680M per yr	Active



Federal Law Obstacles

Adding Advertising to Official Road Signs/Variable Message Signing

- Violation of the Manual of Uniform Traffic Control Devices (MUTCD)
 - Congressional Action to amend the United States Code

Federal Regulations prohibit all non-government on DOT-GOV internet domains

- Government Agencies option is to switch to a DOT-COM domain
- Code of Federal Regulations 41 CFR 102-173

Controlled Outdoor Advertising regulations

- Lady Bird Johnson: Highway Beautification Act prohibits restricts roadside advertisements

Federal Law prohibits anything not sold from vending machines at rest areas built after 1960

- Federal laws prohibit commercial activities at Interstate rest areas, except for vending machine sales and public pay phones US Code of Federal Regulations 23 CFR





Current PPP Legislation

Enabling Legislation:

N.C.G.S. 136-28.1 (m) - The Department of Transportation may enter into as many as two pilot contracts for public-private participation in providing real-time traveler information at State-owned rest areas.

136-28.1 (I) - allows P3's for two litter removal pilot contracts.

Current Statute:

- Limits the number of P3's the Department may initiate.
- Limits P3's to rest areas and litter contracts only
- Other DOT activities and facilities cannot participate in P3's





Possible Expansion of PPP Opportunities

Legislative Changes to Enable Future Initiatives :

- Allow the Department the flexibility to evaluate, consider and when appropriate enter into contracts with private sector entities so that those entities can assume or offset existing and future state investment
- Enter into partnerships to finance the cost of providing sponsorship for state services.
- Allow the Department to work with Commerce to privatize welcome and visitor center operations